

## **BILL ANALYSIS**

Senate Research Center

S.B. 1520  
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State Affairs  
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As Filed

### **DIGEST**

Currently, most governmental entities are not authorized to lease their property. Potential cash benefits or deductions, such as depreciation of an asset, can be realized by instituting a lease-leaseback transaction. Lease-leaseback agreements provide for a private entity to pay a governmental entity for the value of a tax benefit, while ensuring that the governmental entity will not jeopardize the use of the property. S.B. 1520 redefines “credit agreement” and defines “lease-leaseback agreement.”

### **PURPOSE**

As proposed, S.B. 1520 redefines “credit agreement” and defines “lease-leaseback agreement.”

### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1, Chapter 656, Acts of the 68th Legislature, Regular Session, 1983 (Article 717q, V.T.C.S.), by amending Subdivision (6), and adding Subdivision (8), as follows:

(6) Redefines “credit agreement” to include lease-leaseback agreements.

(8) Defines “lease-leaseback agreements” to mean certain agreements relating to foreign and domestic currency, and sets forth further provisions and authorizations of lease-leaseback agreements.

SECTION 2. Emergency clause.  
Effective date: upon passage.